



# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#19 SEPTEMBER 13, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

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County residents through direct  
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through collaboration with  
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September 13, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

## REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

### SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

### IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number LAC+USC MC – Various \$3,800
- (2) Account Number LAC+USC MC – Various \$4,000
- (3) Account Number H-UCLA MC – 1429855 \$4,000
- (4) Account Number H-UCLA MC – Various \$4,096
- (5) Account Number H-UCLA MC – Various \$4,664
- (6) Account Number LAC+USC MC – Various \$10,000

Trauma patients who received medical care at non-County facilities:

- (7) Account Number EMS - 243 \$4,726

Total All Accounts: \$35,286

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (6) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Trauma patients who received medical care at non-County facilities: The compromise offer of settlement for patient account (7) is recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

This will expedite the County's recovery of revenue totaling approximately \$35,286.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, your Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by your Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of

medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Fund.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: SEPTEMBER 13, 2011

|                           |          |                 |                        |
|---------------------------|----------|-----------------|------------------------|
| Total Gross Charges       | \$70,711 | Account Number  | Various                |
| Amount Paid               | \$0      | Service Type    | Inpatient & Outpatient |
| Balance Due               | \$70,711 | Date of Service | Various                |
| Compromise Amount Offered | \$3,800  | % Of Charges    | 5 %                    |
| Amount to be Written Off  | \$66,911 | Facility        | LAC+USC Medical Center |

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$70,711 for medical services rendered. The patient has ATP (for inpatient services) and ORSA (for outpatient services) with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

| Disbursement              | Total Claim | Proposed Settlement | Percent of Settlement |
|---------------------------|-------------|---------------------|-----------------------|
| Lawyer's Fees             | \$5,000     | \$5,000             | 33 %                  |
| Lawyer's Cost *           | -           | -                   | -                     |
| LAC+USC Medical Center ** | \$70,711    | \$3,800             | 26 %                  |
| Other Lien Holders **     | \$1,514.51  | \$1,514.51          | 10 %                  |
| Patient                   | -           | \$4,685.49          | 31 %                  |
| Total                     | -           | \$15,000            | 100 %                 |

\* The attorney agreed to waive his costs.

\*\* Lien holders are receiving 36% of the settlement (26% to LAC+USC Medical Center and 10% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: SEPTEMBER 13, 2011

|                           |          |                 |                        |
|---------------------------|----------|-----------------|------------------------|
| Total Gross Charges       | \$24,231 | Account Number  | Various                |
| Amount Paid               | \$0      | Service Type    | Inpatient & Outpatient |
| Balance Due               | \$24,231 | Date of Service | Various                |
| Compromise Amount Offered | \$4,000  | % Of Charges    | 17 %                   |
| Amount to be Written Off  | \$20,231 | Facility        | LAC+USC Medical Center |

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$24,231 for medical services rendered. The patient has ATP with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

| Disbursement           | Total Claim | Proposed Settlement | Percent of Settlement |
|------------------------|-------------|---------------------|-----------------------|
| Lawyer's Fees          | \$5,000     | \$5,000             | 33 %                  |
| Lawyer's Cost          | \$528.09    | \$528.09            | 4 %                   |
| LAC+USC Medical Center | \$24,231    | \$4,000             | 27 %                  |
| Other Lien Holders     | -           | -                   | -                     |
| Patient *              | -           | \$5,471.91          | 36 %                  |
| Total                  | -           | \$15,000            | 100 %                 |

\* The patient is receiving 36% of the settlement to pay for ongoing medical treatment resulting from this accident.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: SEPTEMBER 13, 2011

|                           |          |                 |                       |
|---------------------------|----------|-----------------|-----------------------|
| Total Gross Charges       | \$57,318 | Account Number  | 1429855               |
| Amount Paid               | \$0      | Service Type    | Inpatient             |
| Balance Due               | \$57,318 | Date of Service | 10/14/10 – 10/20/10   |
| Compromise Amount Offered | \$4,000  | % Of Charges    | 7 %                   |
| Amount to be Written Off  | \$53,318 | Facility        | H-UCLA Medical Center |

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$57,318 for medical services rendered. The patient is a General Relief (GR) recipient and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,100 and his attorney is proposing the following disbursement of the proceeds:

| Disbursement             | Total Claim | Proposed Settlement | Percent of Settlement |
|--------------------------|-------------|---------------------|-----------------------|
| Lawyer's Fees *          | \$6,000     | \$6,000             | 40 %                  |
| Lawyer's Cost            | \$1,100     | \$1,100             | 8 %                   |
| H-UCLA Medical Center ** | \$57,318    | \$4,000             | 26 %                  |
| Other Lien Holders       | -           | -                   | -                     |
| Patient **               | -           | \$4,000             | 26 %                  |
| Total                    | -           | \$15,100            | 100 %                 |

\* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

\*\* This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holder (H-UCLA Medical Center) will receive 26% of the settlement with the patient receiving the remaining 26%.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: SEPTEMBER 13, 2011

|                           |              |                 |                        |
|---------------------------|--------------|-----------------|------------------------|
| Total Gross Charges       | \$109,283    | Account Number  | Various                |
| Amount Paid               | \$0          | Service Type    | Inpatient & Outpatient |
| Balance Due               | \$109,283    | Date of Service | Various                |
| Compromise Amount Offered | \$4,096.12   | % Of Charges    | 4 %                    |
| Amount to be Written Off  | \$105,186.88 | Facility        | H-UCLA Medical Center  |

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$109,283 for medical services rendered. The patient is a General Relief (GR) recipient and no coverage was found. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

| Disbursement            | Total Claim | Proposed Settlement | Percent of Settlement |
|-------------------------|-------------|---------------------|-----------------------|
| Lawyer's Fees           | \$5,000     | \$5,000             | 33 %                  |
| Lawyer's Cost           | -           | -                   | -                     |
| H-UCLA Medical Center * | \$109,283   | \$4,096.12          | 28 %                  |
| Other Lien Holders *    | \$24,115.35 | \$903.88            | 6 %                   |
| Patient                 | -           | \$5,000             | 33 %                  |
| Total                   | -           | \$15,000            | 100 %                 |

\* Lien holders are receiving 34% of the settlement (28% to H-UCLA Medical Center and 6% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: SEPTEMBER 13, 2011

|                           |             |                 |                        |
|---------------------------|-------------|-----------------|------------------------|
| Total Gross Charges       | \$50,065    | Account Number  | Various                |
| Amount Paid               | \$0         | Service Type    | Inpatient & Outpatient |
| Balance Due               | \$50,065    | Date of Service | Various                |
| Compromise Amount Offered | \$4,664.45  | % Of Charges    | 9 %                    |
| Amount to be Written Off  | \$45,400.55 | Facility        | H-UCLA Medical Center  |

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$50,065 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

| Disbursement            | Total Claim | Proposed Settlement | Percent of Settlement |
|-------------------------|-------------|---------------------|-----------------------|
| Lawyer's Fees*          | \$6,750     | \$6,750             | 45 %                  |
| Lawyer's Cost           | \$1,006.65  | \$1,006.65          | 7 %                   |
| H-UCLA Medical Center** | \$50,065    | \$4,664.45          | 31 %                  |
| Other Lien Holders      | -           | -                   | -                     |
| Patient**               | -           | \$2,578.90          | 17 %                  |
| Total                   | -           | \$15,000            | 100 %                 |

\* Attorney's fee of 45% was agreed upon in the retainer agreement between the patient and his attorney.

\*\* This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holder (H-UCLA Medical Center) will receive 31% of the settlement with the patient receiving the remaining 17%.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6  
DATE: SEPTEMBER 13, 2011

|                                  |          |                        |                        |
|----------------------------------|----------|------------------------|------------------------|
| <b>Total Gross Charges</b>       | \$46,564 | <b>Account Number</b>  | Various                |
| <b>Amount Paid</b>               | \$0      | <b>Service Type</b>    | Inpatient & Outpatient |
| <b>Balance Due</b>               | \$46,564 | <b>Date of Service</b> | Various                |
| <b>Compromise Amount Offered</b> | \$10,000 | <b>% Of Charges</b>    | 21 %                   |
| <b>Amount to be Written Off</b>  | \$36,564 | <b>Facility</b>        | LAC+USC Medical Center |

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$46,564 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and he is proposing the following disbursement of the proceeds:

| <b>Disbursement</b>           | <b>Total Claim</b> | <b>Proposed Settlement</b> | <b>Percent of Settlement</b> |
|-------------------------------|--------------------|----------------------------|------------------------------|
| <b>Lawyer's Fees*</b>         | -                  | -                          | -                            |
| <b>Lawyer's Cost*</b>         | -                  | -                          | -                            |
| <b>LAC+USC Medical Center</b> | \$46,564           | \$10,000                   | 67 %                         |
| <b>Other Lien Holders</b>     | -                  | -                          | -                            |
| <b>Patient</b>                | -                  | \$5,000                    | 33 %                         |
| <b>Total</b>                  | -                  | \$15,000                   | 100 %                        |

\* The patient went directly to his insurance. No attorney was involved.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7  
DATE: SEPTEMBER 13, 2011

|                                      |           |   |   |
|--------------------------------------|-----------|---|---|
| <b>Total Charges<br/>(Providers)</b> | \$272,801 | <b>Account<br/>Number</b>                 | EMS 243                                     |
| <b>Amount Paid to<br/>Provider</b>   | \$55,614  | <b>Service Type /<br/>Date of Service</b> | Inpatient & Outpatient<br>7/18/05 - 8/10/05 |
| <b>Compromise<br/>Amount Offered</b> | \$4,726   | <b>% of Payment<br/>Recovered</b>         | 8%  |

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient and outpatient gross charges of \$272,801 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$55,614. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

| <b>Disbursement</b>       | <b>Total Claim</b> | <b>Proposed<br/>Settlement</b> | <b>Percent of Settlement<br/>(\$15,000)</b> |
|---------------------------|--------------------|--------------------------------|---|
| <b>Attorney fees</b>      | \$5,000            | \$5,000                        | 33 %  |
| <b>Lawyer cost</b>        | \$293              | \$293                          | 2 %   |
| <b>Los Angeles County</b> | \$272,801          | \$4,726                        | 32 %  |
| <b>Other lien holders</b> | \$151,377          | \$4,677                        | 31 %  |
| <b>Patient</b>            |                    | \$304                          | 2 %   |
| <b>Total</b>              |                    | \$15,000                       | 100 %                                       |

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 8% (\$4,726) of amount paid to St. Francis Medical Center.